

Chapter 1

A Base Closure Overview

Why Close Bases?

With the end of the Cold War, the Department of Defense has undertaken a restructuring of its military forces. During the past decade, the number of servicemen and women has been reduced one-third. The Department's budget has also shrunk. From fiscal 1985 to 1997, in real terms overall Defense spending has declined by 40 percent.

The Department's physical infrastructure, too, must be reduced. Within the United States, the Department has over 400 major bases. Unless the infrastructure is downsized commensurately with the force structure and budget, funds will be spent on buildings instead of readiness and modernization. Outside the United States, we have reduced our presence dramatically, withdrawing from over half our facilities.

For many years, however, the Department found the opposition to closing domestic bases to be too powerful. In the decade before the first BRAC Commission, only 4 could be closed.

An Independent Process

In the late 1980's, members of Congress concluded that the only way to overcome the opposition of its members to individual closings was to entrust the process to an independent commission. The first Base Closure and Realignment Commission was created by statute in 1988. Under the terms of its creation, the BRAC Commission would develop and recommend an entire slate of closings. Once made, that slate could not be modified by the President or the Congress, merely approved or disapproved.

The 1988 BRAC Commission recommended the closure of 16 major facilities. Once fully implemented in 1996, its recommendations will save the taxpayers some \$700 million per year.

Recognizing how useful the first BRAC Commission had been, Congress enacted the Defense Base Closure and Realignment Act of 1990 (P.L. 101-510). The Act continued the use of an independent commission, but specified that the role of the newly established Defense Base Closure and Realignment Commission would be one of review. Henceforth, responsibility for developing closure and realignment recommendations would be the responsibility of the Department of Defense.

In accordance with the 1990 Act, the Department develops base closure and realignment recommendations based upon two public documents:

- long-term force structure plan, which is the basis of determining installation requirements, and
- selection criteria that are applied to rank bases in categories where there is excess capacity.

The selection criteria used since BRAC 91 give priority consideration to military value, but also take into account costs and savings, as well as economic and environmental impacts. The data used in these analyses are certified and audited by the Services' audit agencies and the DoD Inspector General. The internal Department process is also monitored by the General Accounting Office.

The BRAC recommendations of the Service Secretaries are reviewed by the Joint Chiefs of Staff and the Office of the Secretary of Defense before the Secretary of Defense forwards his recommendations to the Commission. This final review takes into account factors that the Services may not have considered (e.g., impacts on other Federal agencies, U.S. treaty obligations, or the combined economic effects of actions by more than one service).

The Commission is composed of eight individuals who are nominated for this task by the President and confirmed by the Senate. Six of the eight commissioners are nominated in consultation with the Congressional leadership from both major parties.

The Commission's responsibility is to review the Department's recommendations using the same force structure plan and selection criteria. Where the Commission finds that the Department has substantially deviated from either of these two foundations, it has the authority to alter the recommendation, but it must justify such actions on the same basis as did the Department.

The Commission must submit its recommendations to the President by July 1, 1995. If the recommendations are not rejected or returned for further consideration, the President must forward them to the Congress by July 15th. Unless disapproved by resolution of both houses of Congress within 45 legislative days, the recommendations thereafter have the force of law.

Results

Most observers believe that the BRAC process has fulfilled its objectives well. In each round, the Commission's recommendations have been approved by the President and the Congress.

The decisions in the three previous BRAC rounds -- covering 70 major bases and several hundred smaller facilities -- are now being implemented by DoD.

Despite significant up-front costs, BRAC actions save money for the Department and the taxpayers. Overall, the first three rounds of BRAC should result in recurring yearly savings of more than \$4 billion, and total savings in excess of \$30 billion. The following table summarizes the estimated costs and net savings for the previous three BRAC rounds, as well as the actions recommended in 1995 (in billions of FY96\$):

BRAC Costs & Savings (Billions of FY 96\$)

	BRAC Actions	Closure Costs ¹	6 Year Net Savings ²	Recurring Annual Savings ³	Total Savings ⁴
BRAC 88	145	\$2.2	\$0.3	\$0.7	\$6.8
BRAC 91	82	4.0	2.4	1.6	15.8
BRAC 93	<u>175</u>	<u>6.9</u>	<u>0.4</u>	<u>1.9</u>	<u>15.7</u>
Subtotal	402	13.1	3.1	4.2	38.3
BRAC 95	<u>146</u>	<u>3.8</u>	<u>4.0</u>	<u>1.8</u>	<u>18.4</u>
Total	548	\$16.9	\$7.1	\$6.0	\$56.7

¹ Excludes environmental cleanup costs and projected revenues from land sales.

² Net savings within the six-year statutory implementation period.

³ Projected recurring annual savings after the six-year implementation period.

⁴ Net savings after closure costs, measured over 20 years and discounted to present value at 4.2%.

